

ASX Release

16 July 2013

Chinalco Yunnan Copper Resources Ltd (ASX: CYU)

PHASE 2 BLUE CAESAR DRILLING PROGRAM COMMENCES

Chinalco Yunnan Copper Resources Limited (70%) (CYU) as operator of the Mary Kathleen Joint Venture with Goldsearch Limited (30%) (GSE), has commenced its Phase 2 drill program at the Blue Caesar prospect in the Mt Isa Inlier in north-west Queensland.

The Phase 2 drilling program follows up the successful 650m Phase 1 program in three diamond drillholes (MKBC001 – MKBC003) undertaken at the Blue Caesar prospect in April – May 2013. The Phase 1 program has already identified 135 metres of strike extent of significant copper (+/- gold) mineralisation between holes MKBC002 and MKBC003, including the following highlights:

MKBC002: 25m @ 1.62% Cu from 28m including:

- **8m @ 3.63% Cu from 29m; and**
- **1m @ 17.3% Cu from 30m**

2m @ 2.79% Cu and 0.53 g/t Au from 94m.

MKBC003: 10m @ 1.13% Cu from 36m including:

- **2m @ 3.23% Cu from 29m.**

Mineralisation is open in all directions and this latest drilling program will test the down-dip extensions of the above drillholes and northerly strike extensions from MKBC002.

The Phase 2 Blue Caesar program comprises 1,000 metres of diamond drilling targeting a 400m x 100m surface area within a further 6-8 drillholes. The drill program is designed at a nominal 100m drill line spacing stepping out from MKBC002 and will also be targeting the depth extension at 50m spacing. This program will seek to further define the geometry of the Blue Caesar mineralised body.

Additional geological mapping has also identified a series of copper stained gossan outcrops situated further to the north along this trend. The diagram in Annexure A below identifies the proposed drillhole locations.

CYU has been applying a new exploration model to assist in identifying potential trap sites along the 12km long Mary Kathleen Shear Zone. The model has already identified and targeted the 27.7Mt Elaine copper-gold JORC inferred resource and the historic Mary Kathleen Uranium Mine. The main focus of these activities is to identify and develop commercial copper and gold resources within the Mary Kathleen Joint Venture (CYU 70% / Goldsearch 30%) and the Mount Frosty Joint Venture areas (CYU earning in up to 75% from Mount Isa Mines Limited subject to Mount Isa Mines having a buy back right so as to retain a 51% interest in the Mount Frosty Joint Venture).

CYU Managing Director, Paul Williams, said that it is pleasing to be able to commence the Phase 2 Blue Caesar program, so soon after completion of the successful initial Phase 1 activity. “We have almost completed the second drillhole of this new program and while we have already sighted encouraging signs of mineralisation in the core samples, we should wait for the first assay results which are expected from the lab by the end of July.”

On behalf of the Board

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About CYU

Chinalco Yunnan Copper Resources Ltd (“CYU” or “Company”) is a resource exploration and development company with project interests in the Mt Isa region of north Queensland, Chile and northern Laos.

CYU’s largest shareholder is China Yunnan Copper (Australia) Investment and Development Co Ltd (“CYC”), owning 43% of the total issued shares in CYU. CYC is a wholly-owned subsidiary of Kunming-based Yunnan Copper Industry (Group) Co Ltd, which is the third largest producer of smelted copper product in China. In turn, Yunnan Copper Group is a subsidiary of Aluminium Corporation of China (Chinalco) which is the largest producer of aluminium product in China and the second largest world-wide.

CYU has offices in Brisbane, Mount Isa and in Santiago. The Company is listed on the ASX under the symbol “CYU”.

Competent Person’s Statement

The information regarding to the Exploration Activities at the Blue Caesar prospect and the Inferred JORC Resource for the Elaine copper+gold prospect is based on information compiled by Richard Hatcher, who is a Member of the Australian Institute of Geologists and is an Executive Director of Chinalco Yunnan Copper Resources Ltd. Mr Hatcher has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results and Mineral Resources”. Mr. Hatcher consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Annexure A (Location of Phase 2 Blue Caesar drill holes)

